ABSTRACT

"A smart delivery mechanism will reach the people of India. The consumers will get hassle-free service and at the same time, government would save on subsidies,"

The Narendra Modi-led government has relaunched DBTL in 54 districts since November 15. The scheme has been extended to the entire country by January 1.

How will it work: a consumer's account would be credited with Rs.568 as one-time advance, while he books his first refill starting January 1. Post the one-time advance, every time a refill is delivered the subsidy amount will be credited to the bank account linked with LPG connection. The mechanism would be similar to consumers of Indane, Bharat Gas or HP Gas.

Keywords: Direct Benefit Transfer Scheme; Subsidy Reduction

INTRODUCTION

On the New Year day, the government unveiled world's largest direct subsidy roll out scheme - Direct Benefit Transfer for LPG consumer (DBTL) - across all the 676 districts in the country covering 15.3 domestic cooking gas consumers. The scheme is aimed at an efficient subsidy delivery mechanism to the targeted consumer curbing leakages.

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For instance, in the national capital, after the one-time advance of Rs.568, consumer's account would be credited with another Rs.235.91 (which changes every month) for every domestic refill delivered. He will have to shell out another Rs.417 / cylinder from his pocket and pay Rs.652.91 to the cylinder delivery person. This will be valid for 12 subsidised refill quota for every consumer. The consumers need to register bank account with dealer, Aadhar is not mandatory.

In the pilot scheme rolled out in 54 districts since November 15, oil marketing companies -IOC, HPCL and BPCL - have credited Rs.590 crore to consumers' accounts till December 29,2014. Every day, nearly 30-35 million domestic refills are being delivered across the country This takes the total count of domestic cylinders delivered in a year to about 100 crore. Nearly 99.67% of total domestic consumers are within the subsidised limit of 12 refills every financial year.
The pilot scheme has covered nearly 37 of domestic LPG consumers.

The subsidy on domestic cooking gas was Rs. 46,458 crore (shared between government and upstream companies) out of total losses on subsidised petroleum products (under-recovery) at Rs.139,869 crore in FY14. This is likely to be reduced to the tune of Rs.28,000 crore for domestic LPG in FY15, while total under-recovery is expected to be around Rs.86,000 crore.

Aiming For Subsidy Reduction

- DBTL unveiled in all 676 districts in India, largest direct subsidy scheme globally.
- Scheme to cover 17.3 crore domestic LPG users across all states.
- 30-35 mil domestic LPG refills are delivered everyday by IOC, HPCL & BPCL.
- In the pilot scheme in 54 districts, Rs.590 crore has been credited to consumers' bank accounts.
- Consumers to get Rs.568 as one-time advance in their bank accounts.
- Subsidy to be credited into bank account as soon as refill is delivered.
- Consumers need to register bank account with dealer, Adhar not mandatory.
- Govt. may save Rs.10,000-12,000 cr in a full year in subsidies.

OBJECTIVES

This paper is intended to achieve the following objectives:

1. To find out the issues related to the direct benefit transfer scheme.
2. To identify the major hurdles for the implementation of DBT scheme.
3. To examine the awareness about the Direct Benefit Transfer scheme at bottom of the pyramid.
4. To suggest the measures to overcome these hurdles for better results.

RESEARCH METHODOLOGY

The present study is mainly based on primary data collected from the Maharashtra stakeholders of direct benefit transfer scheme. In order to meet the objectives of the study purposive sampling technique is used. Data is collected from the people of Khed Taluka population data is 169-(139 Male and 30 females) ruralites households (less literate) using schedule method of data collection to maintain the accuracy of the data.

FINDINGS

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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Aadhaar Card</td>
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<td>39</td>
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<tr>
<td>Bank Account</td>
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<td>ATM</td>
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<td>168</td>
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<tr>
<td>Aadhaar enabled Bank Account</td>
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<td>108</td>
</tr>
</tbody>
</table>

Source: Primary Probe

Table 1 show that out of total 169 respondents 85% respondents have Aadhaar card, 85% have bank account, 44% respondents have ATM cards and only 36% respondent replied that their bank accounts are Aadhaar enabled. The non-linking of Aadhaar number with bank accounts is a major challenge of this programme.
CONCLUSION

Present study highlighted the burning issues related to the implementation of DBT like very few Aadhaar enabled accounts, low accessibility to banking services, very low usage of ATM facilities, and low level of awareness of this scheme at bottom of the pyramid level. Fast expansion of financial inclusion is required for better implementation of this scheme. Socially deprived classes are least, among the unaware group, here government may promote this scheme through gram sabha and self help groups. Rural people are highly dependent on others to avail banking services so simplified banking services are required so that they can easily get benefit as they do not feel safe while transacting through others. Among other issues like transfer of subsidy to female member’s accounts need to be addressed as cases are of misuse of finance by male members. Moreover, most of the males are daily wage earners and to get subsidy from banks their routine life will also get affected. Above issues require government attention for better implementation and fruitful results.

REFERENCES


